State of California AIR RESOURCES BOARD

EXECUTIVE ORDER G-08-012

WHEREAS, sections 39600 and 39601 of the Health and Safety Code authorize the Air Resources Board (ARB or Board) to adopt standards, rules, and regulations and to do such acts as may be necessary for the proper execution of the powers and duties granted to and imposed upon the Board by law;

WHEREAS, ARB Resolution 08-12, adopted February 28, 2008, details ARB's authority and role in quickly reducing emissions from freight movement along California's trade corridors under the Goods Movement Emission Reduction Program (Program) established by Senate Bill 88 (SB 88) (Stats. 2007, ch. 181) and Assembly Bill 201 (AB 201) (Stats. 2007, ch. 187) to implement the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006, also known as Proposition 1B;

WHEREAS, ARB Resolution 08-12 sets forth the Board's action to adopt the *Proposition 1B Goods Movement Emission Reduction Program: Guidelines for Implementation* (Program Guidelines);

WHEREAS, ARB Resolution 08-12 sets forth the Board's action to adopt partial funding of the "early grant" projects submitted by local air districts to achieve the earliest possible health risk reduction in impacted communities, as set forth in Attachment C of the Resolution;

WHEREAS, ARB Resolution 08-6, adopted May 22, 2008, stated that, not withstanding the Program Guidelines adopted by the Board on February 28, 2008, an Air District may request to defer some or all of the funds for projects awarded by the Board on February 28, 2008 as an early grant, and add those funds and corresponding projects to the grant agreements to be executed for projects approved by the Board in Resolution 08-06. The Board also delegated to the Executive Officer, and his or her designee, authority to take any action he or she deems necessary to consider and act upon such a request;

WHEREAS, ARB Resolution 08-12 awarded the Bay Area Air Quality Management District (Bay Area AQMD) early grant funds of approximately \$400,000 to retrofit 75 trucks serving ports and intermodal rail yards (port trucks);

WHEREAS, as shown in Exhibit A, the Bay Area AQMD formally requested on May 27, 2008 to defer the early grant funds for port trucks and to incorporate those funds and the associated responsibilities into the main fiscal year (FY) 2007-08 grant to the Bay Area AQMD for port trucks. The Bay Area AQMD described a number of technical issues that had arisen since the early grant award that would require additional time to resolve before the targeted trucks serving the Port of Oakland could be effectively retrofitted;

WHEREAS, ARB staff has evaluated the Bay Area AQMD's deferral request and finds it will provide the Bay Area AQMD needed time to effectively resolve the technical issues and ensure the targeted port trucks can be successfully upgraded with Program funds;

WHEREAS, ARB Resolution 08-12 awarded the San Diego County Air Pollution Control District (San Diego APCD) early grant funds of approximately \$650,000 to retrofit a minimum of 110 "other trucks" based on the San Diego APCD's proposal, on behalf of six local agency partners in the San Diego/Border Trade Corridor, to target those funds to trucks operating in the Imperial Valley and to work with the Imperial County Air Pollution Control District (Imperial APCD) to implement those projects;

WHEREAS, as shown in Exhibit B, the San Diego APCD formally requested on June 6, 2008, to defer these "other truck" early grant funds for the San Diego/Border Trade Corridor and to incorporate those funds and the associated responsibilities into the main FY2007-08 grant to the Imperial APCD. The San Diego APCD and Imperial APCD agreed that it would be most effective, efficient and economical for the Imperial APCD to directly receive and implement the Program funds for trucks operating in Imperial Valley;

WHEREAS, as shown in Exhibit C, the Imperial APCD provided a letter on June 6, 2008 supporting the San Diego APCD's request for deferral of these early grant funds;

WHEREAS, ARB staff has evaluated the San Diego APCD's deferral request and the Imperial APCD's support letter, and concurs that this deferral and transfer of funds would allow the Imperial APCD to effectively administer the Program funds targeted to trucks operating in Imperial Valley; and

WHEREAS, considering ARB staff's recommendations, the Executive Officer finds it desirable and efficacious that the requested early grant deferrals be approved so as to help reduce emissions from freight movement along California's trade corridors and to ensure the success of the Program.

NOW, THEREFORE, BE IT ORDERED that pursuant to the delegation of authority by the Board in Resolutions 08-12 and 08-6, the Executive Officer hereby approves the Bay Area AQMD's request to defer approximately \$400,000 in early grant funds for port trucks to the Bay Area AQMD's FY2007-08 main grant for port trucks.

BE IT FURTHER ORDERED that pursuant to the delegation of authority by the Board in Resolutions 08-12 and 08-6, the Executive Officer hereby approves the San Diego APCD's request to defer approximately \$650,000 in early grant funds for "other trucks" to the Imperial APCD's FY2007-08 main grant for "other trucks."

Executed this 4th day of August, 2008, at Sacramento, California.

Original signed by

James N. Goldstene Executive Officer

Exhibit A



BAY AREA AIR QUALITY

MANAGEMENT

DISTRICT

ALAMEDA COUNTY Tom Bates Scott Haggerty Janet Lockhart Nate Miley

CONTRA COSTA COUNTY John Gioia Mark Ross Michael Shimansky Gayle B. Uilkema

MARIN COUNTY Harold C. Brown, Jr.

NAPA COUNTY Brad Wagenknecht (Secretary)

SAN FRANCISCO COUNTY Chris Daly Jake McGoldrick Gavin Newsom

SAN MATEO COUNTY Jerry Hill (Chair) Carol Klatt

SANTA CLARA COUNTY Erin Garner Yoriko Kishimoto Liz Kniss

> SOLANO COUNTY John F. Silva

SONOMA COUNTY
Tim Smith
Pamela Torliatt
(Vice-Chair)

Jack P. Broadbent EXECUTIVE OFFICER/APCO May 27, 2008

James Goldstene
Executive Officer
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Mr. Goldstene,

As part of the early grant provided by the Statewide Goods Movement Bond (I-Bond), the Bay Area Air Quality Management District (District) was awarded \$600,000 to retrofit approximately 75 trucks at the Port of Oakland with diesel particulate filters (DPF).

Since the California Air Resources Board (ARB) made this award, a number of significant technical issues have arisen in relation to the execution of this project. These issues center on the temperatures achieved during the normal duty cycles of the subject vehicles and the fact that no practical DPF device capable of meeting the emissions reduction requirements in upcoming Drayage Truck Regulation has yet been certified by the ARB.

In order to ensure that these issues are addressed, the District is requesting that the ARB allow the portion of the early grant funding set aside for truck retrofits in the Bay Area to be deferred to the main grant funding distribution ratified by your Board of Directors on May 22, 2008. By approving this request, the ARB would extend the time period for the expenditure of these funds to 18 months following the signing of a funding agreement between our agencies.

The District is confident that the technical issues associated with this project can be overcome quickly and will continue to work to ensure that this project is executed as quickly as possible. If you have any questions regarding this request please feel free to call me or contact Damian Breen, Grants Programs Manager at (415) 749-5041 or dbreen@baaqmd.gov.

Sincerely,

Jack/P. Broadbent

Executive Officer/APCO

CC: Cynthia Marvin, Assistant Division Chief, Planning and Technical Support Division Judith Freedman, Manager, Goods Movement Bond Section

Exhibit B



Air Pollution Control Board

Greg Cox District 1
Dianne Jacob District 2
Pam Slater-Price District 3
Ron Roberts District 4
Bill Horn District 5

June 6, 2008

James N. Goldstene Executive Officer Air Resources Board 1001 I Street Sacramento, CA 95812

Dear Mr. Goldstene:

PROPOSITION 1B: GOODS MOVEMENT EMISSION REDUCTION PROGRAM

The San Diego Air Pollution Control District (District) requests that the Air Resources Board (ARB) defer the District's \$651,000 early grant award to retrofit "Other Trucks" operating in Imperial Valley and instead add those funds to the "Other Trucks" project to be implemented by the Imperial County Air Pollution Control District (Imperial County).

The District's early grant proposal and ARB's Staff Report dated January 3, 2008 recognized that: (1) funds for "Other Trucks" were designated for trucks operating in Imperial Valley and (2) planned implementation of this "Other Trucks" project is with the Imperial County. In its Resolution 08-12, ARB awarded the District funding on February 28, 2008 for two early grant projects: "Port Trucks" and "Other Trucks."

On June 3, 2008, the District received from ARB the Early Grant Agreement for \$651,000 to retrofit 124 "Other Trucks." The District and Imperial County determined and agreed that it is most effective, efficient and economical that Imperial County implement the early grant that targets "Other Trucks" in Imperial Valley. The District will return to the ARB the Early Grant Agreement Form for \$651,000 to retrofit "Other Trucks" without signature.

If you have guestions, please contact Cecilia Redondo at (858) 586-2607.

Sincerely,

N Thosa My cyledoslo ROSA MARIA S. ABREU

Assistant Director

Air Pollution Control District

cc: Cynthia Marvin, Assistant Division Chief, Air Resources Board Robert Kard, San Diego County Air Pollution Control Officer Brad Poiriez, Imperial County Air Pollution Control Officer

Exhibit C



June 6, 2008

Mr. James N. Goldstene Executive Officer California Air Resources Board 1001 I Street Sacramento CA. 95814

RE: Goods Movement Emission Reduction Program

Dear Mr. Goldstene:

The purpose of this letter is to confirm Imperial County Air Pollution Control District's support for the June 6, 2008 request by the San Diego Air Pollution Control District to shift its \$651,000 early grant funds awarded by the Air Resources Board to retrofit 124 "Other Trucks" from the San Diego APCD to the Imperial County APCD. San Diego APCD is requesting deferral of these early grant funds (as allowed under ARB Resolution 08-06), and incorporation of those funds and the associated responsibilities in the main Fiscal Year 2007-2008 grant to the Imperial County APCD.

Both Imperial County APCD and San Diego APCD staffs have been working very closely and cooperatively to meet all Prop 1B program requirements and time tables as required in an expeditious manner to ensure the allocated funds will be successfully administered. ARB's professional assistance and guidance throughout this process has been greatly appreciated.

Again, thank you for your cooperation on this matter and should you have any questions or concerns please feel free to contact me.

Sincerely,

Brad Poiriez

Air Pollution Control Officer

Imperial County APCD

cc: Cynthia Marvin, Assistant Division Chief, ARB Robert Kard, APCO, San Diego APCD Rosa Abreu, Asst. APCO, San Diego APCD